

UNITED STATES OF AMERICA
DEPARTMENT OF ENERGY
OFFICE OF FOSSIL ENERGY

NORTHERN UTILITIES, INC.

FE DOCKET NO. 97-91-NG

ORDER GRANTING BLANKET AUTHORIZATION TO
IMPORT NATURAL GAS
FROM CANADA

DOE/FE ORDER NO. 1314

OCTOBER 24, 1997

I. DESCRIPTION OF REQUEST

On October 22, 1997, Northern Utilities, Inc. (Northern Utilities) filed an application with the Office of Fossil Energy of the Department of Energy (DOE), under section 3 of the Natural Gas Act (NGA),⁽¹⁾ and DOE Delegation Order Nos. 0204-111 and 0204-127, for blanket authorization to import up to 15 billion cubic feet (Bcf) of natural gas from Canada over a two-year term beginning on the date of the first delivery after December 9, 1997.⁽²⁾ Northern Utilities, a New Hampshire corporation with its principal place of business in Westborough, Massachusetts, is a natural gas distributor that provides retail gas services to approximately 50,000 customers in coastal communities in the States of New Hampshire and Maine.⁽³⁾ Northern Utilities will import the natural gas under short-term and spot market arrangements, either on its own behalf or as the agent for others. The proposed authorization does not involve the construction of new pipeline facilities.

II. FINDING

The application filed by Northern Utilities has been evaluated to determine if the proposed import arrangement meets the public interest requirement of section 3 of the NGA, as amended by section 201 of the Energy Policy Act of 1992 (Pub. L. 102-486). Under section 3(c), the import of natural gas from a nation with which there is in effect a free trade agreement requiring national treatment for trade in natural gas is deemed to be consistent with the public interest and must be granted without modification or delay. The authorization sought by Northern Utilities to import natural gas from Canada, a nation with which a free trade agreement is in effect, meets the section 3(c) criterion and, therefore, is consistent with the public interest. This blanket order authorizes transactions under contracts with terms of no longer than two years.

ORDER

Pursuant to section 3 of the Natural Gas Act, it is ordered that:

A. Northern Utilities, Inc. (Northern Utilities) is authorized to import up to 15 Bcf of natural gas from Canada over a two-year term beginning on the date of the first delivery after December 9, 1997. This natural gas may be imported at any point on the border of the United States and Canada.

B. Within two weeks after deliveries begin, Northern Utilities shall provide written notification to the Office of Natural Gas & Petroleum Import and Export Activities, Fossil Energy, Room 3F-056, FE-34, Forrestal Building, 1000 Independence Avenue, S.W., Washington, D.C. 20585, of the date that the first import of natural gas authorized in Ordering Paragraph A above occurred.

C. With respect to the natural gas imports authorized by this Order, Northern Utilities shall file with the Office of Natural Gas & Petroleum Import and Export Activities, within 30 days following each calendar quarter, quarterly reports indicating whether imports of natural gas have been made. Quarterly reports must be filed whether or not initial deliveries have begun. If no imports of natural gas have been made, a report of "no activity" for that calendar quarter must be filed. If imports have occurred, Northern Utilities must report total monthly volumes in Mcf and the average purchase price of gas per MMBtu at the international border. The reports shall also provide the details of each import transaction, including: (1) the name of the seller(s); (2) the name of the purchaser(s); (3) the estimated or actual duration of the agreement(s); (4) the name of the United States transporter(s); (5) the point(s) of entry; (6) the geographic market(s) served; (7) whether sales are being made on an interruptible or firm basis; and, if applicable, (8) the per unit (MMBtu) demand/commodity/reservation charge breakdown of the contract price.

D. The first quarterly report required by Ordering Paragraph C of this Order is due not later than January 30, 1998, and should cover the period from December 10, 1997, until the end of the fourth calendar quarter, December 31, 1997.

Issued in Washington, D.C., on October 24, 1997.

Wayne E. Peters
Manager, Natural Gas Regulation
Office of Natural Gas & Petroleum
Import and Export Activities
Office of Fossil Energy

1. 1/ 15 U.S.C. § 717b.

2. 2/ This is the expiration date of Northern Utilities' blanket authorization to import natural gas from Canada, granted in DOE/FE Opinion and Order No. 1087 on september 26, 1995 (1 FE ¶ 71,164).

3. 3/ Northern Utilities is a wholly-owned subsidiary of Bay State Gas Company, a natural gas distributor operating in Massachusetts. It is also affiliated with Granite State Gas Transmission, Inc., an interstate natural gas pipeline company which is also a wholly-owned subsidiary of Bay State Gas Company.